



Irish Life Claims 2016

Back to Basics

Protection for Families

During life's journey, the basic big ticket financial solutions are typically - have a will, have a pension and have protection, if you die or get sick. While most people understand the need for a will and a pension, they are less certain about the need to protect themselves and their families in the event of an unforeseen illness or death. It's particularly important if they have dependants or significant loans or other outgoings.

Talking about the basics, i.e. actual claims paid by Irish Life is one way of educating customers and overcoming inaction. Once potential customers realise that the unexpected does happen to real people, just like them, they will quickly realise how exposed they may be financially by a sudden death or life threatening illness.

A comprehensive analysis of protection claims paid in 2016 by Irish Life has shown some facts and trends that may be of interest to you as a financial broker.

Value of claims paid on average every working day during 2016 by Irish Life Financial Services

• Specified Illness Insurance	€214,337
• Death	€454,519
• Total (including rider benefit claims)	€692,678

Source Irish Life

Irish Life Financial Services has paid out over €173,000,000 to over 3700 Irish Families, in basic protection benefits on death, SIC and rider benefit claims in Ireland in 2016.

Outlined below are some key findings from Irish Life's analysis of individual claims paid during 2016.

Summary of Irish Life claims 2016	Death Claims	Specified Illness Claims
Number of claims paid	1,699	862
Amount paid	€113.6m	€53.5m
Average adult claim amount	€66,880	€63,403
Average age of claimant	64	52
Average duration inforce	17 years	13 years
Partial payment SIC claims	n/a	20
Number of Child claims	51	24

Source Irish Life

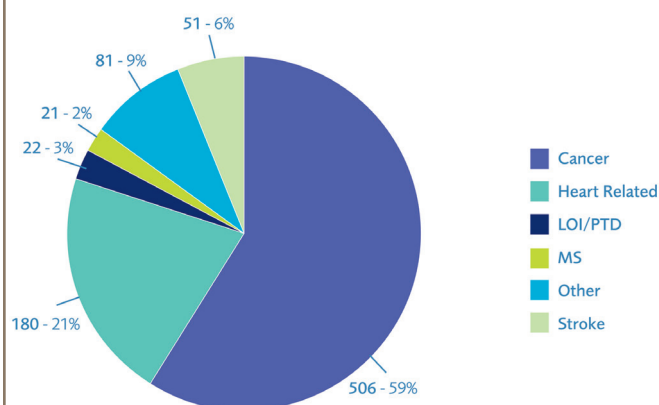
The first thing to note in respect of our 2016 claims is that the volumes of claims paid have risen over 2015 – paid death claims are up 9 % and paid SIC claims are up 12%. This probably reflects a number of things including, an aging population, successful integration and maturity of the Canada Life book and more people having cover in place.

As you know, protection is very much a long term business. To illustrate this, Irish Life paid a death claim during 2016 for €14,000, to the estate of a 94 year old, on an endowment plan with life cover and terminal bonuses that was in force 70 years. It was taken out on 4th April 1945, at the end of the Second World War!

Under specified illness insurance, the biggest cause of claim continues to be malignant cancer (59%) with heart related (21%), stroke (6%), multiple sclerosis (2%) being the other main areas of claim.

20 additional benefit SIC claims were paid during 2016. Irish Life has paid 95 such claims in total over the last 7 years, with the biggest single category being for ductal carcinoma in-situ of the breast, leading to mastectomy or surgical removal. The average additional payment claim amount is just over €11,000. We firmly believe in having a comprehensive, but realistic, list of additional payment conditions covered under our plans. We are very confident that for all additional partial payment conditions we have added, we will see claims being paid over the coming years.

SPECIFIED ILLNESS - 2016



Source Irish Life

Specified Illness Claims – Cancer

Top 5 Types

Number of claims paid

Breast	155
Prostate	71
Colorectal	43
Lung	24
Malignant Melanoma	21

Source Irish Life

On the death claim side over 30% of our claims were in the age group 41 to 60, the prime age for parents to ensure that they have adequate life insurance in place. If you look at male lives aged 49 or younger the biggest causes of death are accidents, followed by cancer and then heart related conditions.

Our largest death claim paid in 2016 was for over €2 million on a male life who died in an accident. Our largest specified illness cover claim in 2016 was for over €900,000 to a man in his 50s who was diagnosed with a significant neurological condition; the plan was in force 13 years.

Irish Life paid 40 terminal illness claims to a total value of almost €4 million, under life assurance plans during 2016, with the average claim amount being €94,860 and with an average plan duration of 10 years. Interestingly, terminal illness claims only account for just over 2% of mortality claims paid, which is very low compared to the UK market.



"While most people understand the need for a will and a pension, they are less certain about the need to protect themselves and their families in the event of an unforeseen illness or death. It's particularly important if they have dependants or significant loans or other outgoings"

Martin Duffy, Chartered Insurer, Head of Underwriting and Protection Claims, Irish Life

We paid over **98%** of all death claims and **90%** of specified illness claims that we received during 2016. In fact for malignant cancer specified illness claims, which is by far the biggest single cause of SIC claim, Irish Life paid **96%** of these claims during 2016. This high percentage of claims paid is something we are very proud of and should give you as a financial broker, confidence in recommending Irish Life to your customers.

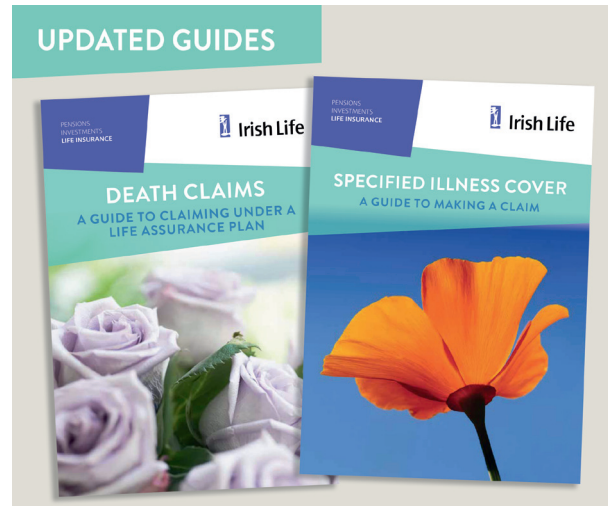
One of the main reasons why a protection claim is not paid is where there has been a failure to disclose major key material facts on the application for cover. Some examples of the significant things customers did not disclose on application forms that led us to have to regrettably decline a claim during 2016 include a previous stroke not disclosed and another case was a significant hospital admission for alcohol dependency 4 months prior to applying for cover.

Hopefully you will find that knowledge of Irish Life protection claims paid, along with new 2016 claims flyers will support you in giving that very basic but very necessary financial advice to your customers.

Focus on children's specified illness cover

We believe that children's cover for SIC is a vital part of the overall family protection we offer. During 2016, Irish Life paid 24 child SIC claims to a total value of €476,000. The average age of the child when the claim event occurred was only 8. The main causes of claim were malignant cancers, particularly leukaemia, followed by benign brain tumours.

Nobody wants to think about the serious illness of a child,



but parents tell us that having money available, to allow them to take time off work and cover incidental expenses is extremely beneficial.

Irish Life's cover for children under specified illness cover plans purchased since August 2016, is the best in the Irish Market. We cover children from birth, right up to age 25, irrespective of whether the child is in full time education or not*.

* See individual T&C's for full details of children's SIC

Irish Life Assurance plc is regulated by the Central Bank of Ireland

BREXIT: State Street Launches Quarterly Brexometer Index Of Institutional Investor Sentiment

State Street Corporation recently launched its Brexometer Index, a quarterly pulse survey of institutional investor sentiment towards the UK's departure from the European Union. In the third quarter of 2016, a sample set of research was completed as a benchmark and compared against a second survey completed in Q4 ahead of today's launch. Key findings of the index include:

- 63 percent of institutional investors expect to maintain their holdings in UK assets (equities, bonds and/or alternatives) over the next six months
- 80 percent expect Brexit to have an impact on their operating models – up from three quarters (76 percent);
- Almost half (48 percent) expect the level of investment into the UK economy to fall during the next quarter, down slightly from 52 percent in the inaugural findings;
- Just under a third (31 percent) believe asset owners will decrease levels of investment risk over the next three to five years – up from 26 percent previously. A quarter (26 percent) think asset owners will increase levels of risk.

Commenting on the findings Jeff Conway, EMEA CEO at State Street said, "Our findings show that institutional investors expect Brexit to have an impact on a range of operational issues, and subsequently we have seen an increase in clients looking to address this. Many appear well prepared for Brexit and are proactively putting strategies in place to mitigate any ensuing impact."

Michael Metcalfe, head of Global Macro Strategy at State Street Global Markets said, "At just over six months removed from the UK's

EU referendum, markets seem to have mostly moved on. Questions over timing of the UK's ultimate split from the EU and the nature of their future relationship still linger and have the potential to weigh on both the economy and the pound. Nevertheless, thus far at least, the extremely gloomy pre-Brexit predictions for the UK economy and asset markets look well off the mark."

"Although it has not weakened further since October, Sterling remains very weak, with the result that the valuation case for the currency remains and appears to be aiding inflows to UK assets. The recent release of official capital flow data for Q4 2016 shows the UK with few problems attracting the funding needing for its still-large current account deficit. Foreign institutional equity investors are particularly strong buyers of UK equities of late. The outlook for gilts is less positive, not least as online price inflation is already at 3 percent and rising."

James Binny, EMEA head of Currency at State Street Global Advisors commented, "Sterling weakened sharply following the vote and fell sharply again in October. However, it has been more stable since. The weakness benefitted UK based clients who were not hedged. However, we have seen increased hedges from existing currency overlay clients – both into passive and more dynamic approaches – as well as more enquiries from clients who haven't managed currency before. For some this is simply driven by a desire to reduce risk when other asset return expectations are lower, but also UK based investors who have gained from Sterling weakness and so are seeking to lock in those profits."

To view the full research report <http://www.statestreet.com/ideas/articles/brexit.html#?cid=pr-brexit>